

Introduction:

The Employees' Retirement System (ERS) of Milwaukee County ("the Plan") is requesting proposals from investment management firms interested in providing private credit investment management services to the Plan. ERS will only consider evergreen commingled strategies that allow the client to add or redeem assets in the future.

Purpose:

The Plan is soliciting firms to provide private credit management services for a mandate of approximately \$30-65 million. This Request for Proposal ("RFP") is not an offer to contract, but seeks the submission of proposals from qualified, professional firms.

Proposals are being distributed to firms familiar to the ERS and the Investment Consultant known to fit the parameters. However, qualified firms that do not receive an RFP are encouraged to compete so long as the firm and product meet the minimum requirements outlined in section B. A copy of the RFP may be obtained from the Milwaukee County website:

<https://county.milwaukee.gov/EN/Admin-Services/Bids-and-RFPs>

Timeline:

RFP Date of Issue:	June 17, 2021
RFP Due Date:	July 16, 2021, 5:00 PM Central Time
Proposal Evaluation (Tentative):	To Be Determined
Finalists Notification (Tentative):	To Be Determined
Finalists Presentations (Tentative):	To Be Determined

Submission Process:

The RFP process will be overseen by the Plan's investment consultant, Marquette Associates. The RFP is available on the Plan's website listed above. Questions concerning the RFP must be submitted via email to bgraffy@marquetteassociates.com. Any responses received after the deadline will not be considered for this search.

Scope of Services:

The ERS is looking to place assets with a Manager that can perform the following services:

- Provide monthly and quarterly reporting to ERS and the Investment Consultant.
- Complete quarterly requests for information from the Investment Consultant.

- Participate in meetings or conference calls as needed.

The manager shall serve as a fiduciary to the Plan and have independent discretionary authority with respect to the management of the portfolio and subject to the agreed upon objectives and guidelines.

The Respondent, a qualified investment adviser, will directly manage assets for the Board in a commingled fund for an active private credit portfolio mandate.

Minimum Qualifications:

To be qualified to participate in the RFP, all respondents must meet all of the following minimum qualifying criteria. The respondent must:

1. Accept responsibility as a fiduciary with respect to the work performed and investment recommendations made by the Firm.
2. The firm must be a registered investment advisor with the Securities & Exchange Commission pursuant to the Investment Advisors Act of 1940, as amended, and the registration must be current.
3. The firm/manager must have an E&O Insurance Policy minimum of \$5 million.

Furthermore, all respondents must meet all of the following minimum qualifying criteria unless the firm is at least 51% minority, women, or disabled owned. Unless qualified as a minority, women, or disabled-owned business, the respondent must:

1. Manage at least \$1 billion in total firm assets as of December 31, 2020.
2. Demonstrate historical management of at least \$500 million of assets in the proposed strategy.
3. Be in the third iteration or greater of the series of investment fund, with a similar size, style, strategy and level of diversification.
4. For the current fund under construction, have a target size of at least \$500 million. The last iteration of the fund must also have had a fund size of \$500 million or greater.
5. Offer an evergreen commingled investment vehicle that provides LPs with the option to terminate the commitment period.
6. Provide a verifiable track record for the proposed strategy with at least five years of history.

If respondent does not meet any of the minimum qualification requirements above, respondent should not submit a proposal to the Plan.

Evaluation Criteria:

1. Investment Philosophy and Methodology
2. Firm Background, Experience and Reputation
3. Portfolio Management and Client Services
4. Reasonableness of Fees

5. Fit with the Plan's Overall Investment Policy and Allocations Among Existing Investment Advisers
6. Performance

The Pension Board of ERS will make its selection(s) by a majority vote at a public meeting of the Board. The Pension Board will select the Manager(s) it determines to be fully qualified and best suited among those submitting proposals. ***All proposals received in response to this RFP may be rejected and the Pension Board may seek new or additional proposals or may decline to select any Manager(s).***

Please note: The ERS is subject to Wisconsin open records law, 19.21 *et seq* of the Wisconsin statutes. All proposals will be deemed open records upon completion of the selection process. If a proposer believes that any portion of its proposal constitutes a trade secret pursuant to 19.36(5), Wis. Stats., the proposal must designate in some fashion those portions that the proposer asserts are trade secrets. In the event an open record request is received by ERS, ERS will make an independent determination of those records that it will release and is not bound by any designations made by proposers.

The consultant, with the guidance of the Plan's staff, shall determine how well the proposal meets the review criteria. The consultant shall present a list of higher qualified respondents to the Board.

Disposition of Proposals:

All proposals become the property of the Plan and will not be returned to the respondent. The Plan reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance of the conditions contained in this RFP

Private Credit Partnership Request for Information

Product Class: Private Credit

Product Name:

Data as of:

Marquette Contact: Brett Graffy, CAIA, Research Analyst

Recipient Email: bgraffy@marquetteassociates.com

Questionnaire received back via: Email

I. Firm

1. Please provide the year your firm was established and give a brief history of your firm.

2. Please provide the organization's name, and the name, title, address, phone number, fax number, and email address of the individual who will be our primary contact.
3. Please provide the address and website of the firm's headquarters and all branch offices.
4. Please comment on the financial solvency of your firm. Do you have any firm debt? What is the minimum asset level required for your firm to remain profitable?
5. Please provide a brief description of your firm's plans for growth, such as asset growth, personnel growth, succession planning, over the next 3-5 years.
6. Please give succession plans for key employees if retirements are planned within 5 years.

II. Ownership

7. What is the current ownership structure of the firm? Please include employees at all levels.
8. What is the ownership structure of the general partner entity? (Include percentage ownership.) Who are the principals of the general partner? How long has each of the principals been a participant of the general partner?
9. How are the fees and carried interests allocated among the principals and others? Please be specific. How is this split determined?
10. What provisions are in place to promote the retention of principals, and change allocations over time?
11. What, if any, are the carried interests and ownership interests in the general partner or management company held by individuals or business entities not employed by the firm?
12. What is the firm's compensation structure? What are the vesting provisions? Are there vesting provisions for future general partner additions?
13. What is the general partner's capital commitment to the fund? What is the amount committed by each participant in the general partner? What is the source for each contributor's funds? (Cash, Deferred Fees, etc.)
14. Please provide a detailed three year budget for the general partner.
15. Please describe the firm's professional turnover for the last five years, citing

reasons for each departure and contacts for departed partners.

16. Are any new hires expected in the near term? Please explain at what level these new hires are expected, and their anticipated compensation (salary, bonus, participation in carried interest).
17. What is the decision-making process internally among the principals for (i) internal matters, (ii) new partners, and (iii) partnership operations and management decisions?
18. Does the firm have a succession plan in place? If so, please describe.
19. Please complete the following table which addresses the principals' relationship with each other prior to becoming principals of the general partner.

Principals	Years Working Together Prior to Forming General Partner	Nature of Relationship

20. Identify all prior funds each principal has been involved with in any capacity. What is the status of those funds, and how much of the principals' time is committed to each fund?
21. Do any of the principals have any conflicts of interest with the current fund?
22. Is the firm or any of its principals involved in, or a partner in, any other businesses outside of the firm's activities? Please describe.
23. Has the firm or any of its principals (including former principals) ever been involved in any litigation? Please describe. Are any cases still open or pending?
24. Do any of the principals have any health or personal issues that should be of concern? Please explain.
25. Please provide 3 references for each principal.

III. Client Breakdown

26. Please provide the firm's and product's breakdown by clients as of the current date (as measured by % of assets under management) using the following format. Please provide a brief explanation as to the contents of "other." For product asset please include all prior funds using the same strategy as the current offering.

	Corporate	Foundation/ Endowment	HNW/ Family	Insurance/ Financial	Mutual Fund	Public
Firm						
Product						

	Religious	Taft- Hartley	Sub- Advisory	Wrap	Other
Firm					
Product					

27. Please provide the firm's and product's breakdown by clients as of the current date (as measure by # of clients under management) using the following format. Please provide a brief explanation as to the contents of "other."

	Corporate	Foundation/ Endowment	HNW/ Family	Insurance/ Financial	Mutual Fund	Public
Firm						
Product						

	Religious	Taft- Hartley	Sub- Advisory	Wrap	Other
Firm					
Product					

28. Please provide the following information on the firm's and product's client breakdown:

	Assets (in Millions)
Average Aggregate Client Size:	
Largest:	
Smallest:	

29. Have you entered into any side letter agreements or other arrangements with any limited partners? Do you anticipate doing so prior to or at the final closing? Are there any 'most favored nations' provisions? Are there 'special' limited partners or limited partners who also have investments in, or special rights from, the general partner or manager? If so, please explain.

30. Please provide 5 limited partner references.

IV. Investment Professionals

31. Please provide brief biographies and educational background of the investment professionals in the firm. List percent of ownership by the investment professional, and which products they worked on.

32. Please discuss the compensation plan of the investment professionals. How are fees and carried interest allocated among the principals of the firm and other employees? What vesting provisions are in place?

33. Are the investment professionals under employment contracts with the firm?

34. Discuss all turnover of investment professionals in the firm during the last three years.

35. Are you a registered minority (at least 51% minority/woman owned) investment manager? If so, please attach state or local registration.

36. Please provide brief biographies of the investment professionals on this product.

37. Please complete the attached table regarding board memberships.

Name of Principal	Current Board Memberships	Prior Board Memberships

V. Compliance

38. Is your firm affiliated with a broker dealer?

39. Are you compliant with GIPS® Standards? If yes, please indicate the last audit

year. If yes, please provide the most recent verification letter.

40. Are you a registered investment advisor? Please attach a copy of your ADV Part II.
41. Please provide a brief description of any past or pending regulatory action, litigation, or other legal proceedings involving the firm or any employees and/or principals as defendants in the last 5 years.
42. Are you currently or have you been in the last 5 years out of compliance with the SEC, DOL, or any regulatory agencies? If yes, please explain thoroughly.
43. Has your firm been audited by the SEC, DOL, or any regulatory agency in the past 5 years? Please explain any key findings. Please attach a copy of the SEC Review findings and firm responses.
44. Do you have a dedicated compliance officer? Does this person serve other roles within the firm? If so, please describe.
45. Who is the firm's independent auditor? How long have they been serving in this capacity? Please provide copies of the last four quarterly reports and the last three years' audited financials.
46. Who is the firm's legal counsel or do you use an in-house legal team? Please provide brief biographies for them, indicating how long they have been serving in this capacity.
47. Are you a registered investment advisor? Please attach a copy of your ADV Part II.
48. What is your firm's Errors & Omissions (E&O) Insurance policy limit in millions? Please attach proof of E&O Insurance coverage.
49. Please provide contact names with addresses and phone numbers for all legal counsel and the accounting firms the sponsor has engaged over the past 5 years. Please provide a brief description of the nature of the engagement.
50. Please describe your firm's disaster recovery and business continuity plans, specifically addressing the most recent date and the numbers of times you have practice and tested your procedures in the past 5 years, and the result of those exercises. Please provide a copy of your firm's disaster recovery and business continuity procedures.
51. What are your procedures monitoring for personal trading? How many violations of your personal trading policy have occurred in the past 12 months? Please

describe the nature of each violation.

VI. Product Investment Process

52. Please describe the investment objective and strategy of the proposed Fund. Provide supporting documentation regarding your assumptions of the target market and the overall viability of the proposed strategy.
53. Please provide a complete review of your firm's investment methodology for the product and the decision making process.
54. Against what benchmark is the product evaluated?
55. Do you think this is the appropriate benchmark or would you prefer an alternate benchmark? If so, please discuss.
56. Please discuss the product's philosophy towards managing default risk. If possible, please backup response with data.
57. Have there been any changes to the product's investment process over the past five years? If yes, please describe in detail.
58. Please discuss your risk analysis and control methodology.
59. Please provide the annual dollar weighted default rates and number of defaults for the product compared to the product's benchmark. Please show data for the past 10 calendar years, or inception, whichever is longer.
60. What part(s) of your process add the most value? Please provide backup data on your answer.
61. Does this product utilize leverage? If so, how is the leverage applied?
62. Please discuss your assessment of the current market outlook and how your firm plans to provide superior performance for clients in the years ahead.
63. What distinguishes your firm from other investment managers with respect to this product?
64. What is unique about this strategy?
65. Please discuss the current market opportunity. Please describe the current opportunity set and how the compares to the opportunity set for prior funds.
66. Please describe a "typical" transaction. Where in the capital structure do you

typically invest?

67. Please discuss how deals are sourced. Please provide a breakdown of how deals are sourced (proprietary deals, sponsors, investment banks, etc.). Please list all sponsors or investment banks the firm has worked with on multiple closed transactions over the last three funds.
68. How does the investment committee for the fund operate? How are decisions made?
69. Is consensus required from each partner, or is a simple majority sufficient?
70. How often do the principals meet as a group? Are meetings typically held in person or telephonically? What forum do the principals use for information and idea sharing?
71. What is the policy/assumption for portfolio allocations between equity, debt, and other forms of investment?
72. Are there geographical preferences for investments? Industry preferences?
73. What is the estimated number of portfolio investments? Target dollar range for each investment?
74. What is the estimated length of time before the Fund will be fully invested?
75. Describe potential risk factors related to the strategy.
76. Who are the firm's competitors? How do you differentiate your fund from competitive funds?
77. What are the firm's documentation procedures? Please attach a sample of each of the following documents: due diligence checklist, deal log, a typical investment term sheet that you would use, and a summary investment memorandum.
78. What is the firm's valuation policy and methodology?
79. Is the partnership permitted to re-invest proceeds? What rules govern those re-investments?
80. What is the fund's approach to UBTI related investments? Do you have on-shore and offshore vehicles?

	VII. Current Offering
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81. What is the full name of the current Fund offering? What is the vintage year of the Fund? What is the target size of the Fund? What is, or when will, the first closing of the Fund be, and at what commitment level? What is the projected final close?

82. What is the fee structure of the Fund? Please list the Management Fee, Carried Interest, and Hurdle. Is a European Waterfall structure utilized? Please complete the following table for all commingled funds for this strategy.

Fund/Vehicle Name & Type (CIT, LP, etc.)	Onshore/ Offshore	3c1/3c7	ERISA Eligible?	ERISA Capacity	DB Eligible?	DC Eligible?	Non-ERISA Eligible?	Liquidity

83. Please provide details on any step provision (i.e. changes over time) in the management fee, and provide an estimate of average annual fee over the life of the Fund.

84. What is the anticipated commitment amount (in millions) from the firm and employees?

85. What is the Partnership term, including provisions for extensions, if any?

86. Please describe the evergreen vehicle structure?

87. What are the policies regarding allocation of expenses to the Fund vs. the General Partner, e.g. overhead, legal fees, due diligence costs, etc. Provide a dollar estimate of the expenses that will be charged to the fund.

88. What are the policies regarding allocation of fees, such as transaction fees, investment banking fees, monitoring fees, directors' fees, etc., between the General Partner and the Fund.

89. Have any commitments been made? If so, please list.

90. Has the fund called any capital? If so, please list.

VIII. Security and Miscellaneous

91. Please complete the table below for each prior fund.

Fund Name	Vintage Year	Type	% Called	% Distributed	Remaining Value	Multiple (Net of Fees)	IRR (Net of Fees)	As of Date

92. Describe each of the prior investments managed by the key investment professionals on the team responsible for the current offering.

93. State the frequency of investor reporting and provide a sample.

94. Please list the firm's auditor, the fund auditor, legal counsel, and all third party service providers (include IT, due diligence, etc.)

95. Describe the firm's security environment. Specifically cover the physical, digital security, and policy measure safeguards that you have put in place to control access to portfolio reporting systems and client account information.

96. Describe your firm's approach to securing email and web communications.

97. How does your firm defend against cyber attacks?

98. How does your firm secure mobile devices such as phones, tablets, and laptops?

99. Have you had your security assessed by a third party? If so, when was this last completed and by which provider?

100. Has your firm ever had a data security breach? If so, please describe the incident as well as the corrective actions.

IX. Diversity and Inclusion

101. Diversity is important to the Pension Board of the MCERS. The Board believes that racial, ethnic, and gender diversity amongst both leadership and staff within an investment organization can translate into diversity of thought and

augment the decision-making process, ultimately leading to better outcomes for investors. Please comment on your organization's commitment to building a diverse workforce, both within your own firm, and within any underlying General Partner firms to which you have allocated capital to in the past, or plan to allocate capital to in the current fund offering. Please quantify these efforts.

102. The Pension Board of the MCERS is dedicated to expanding exposure to top performing fund managers that demonstrate exceptional potential and are committed to diversity in their investment decision-making process, ownership structure and compensation and profit-sharing policies. As such the Pension Board of the MCERS shall make a good faith effort to invest with qualified emerging managers who fit this definition. Please comment on your organization's efforts to invest in emerging managers or companies across your investment platform and quantify these efforts. As a general guideline, MCERS defines emerging managers as newer, independent private investment management firms or companies that manage less than \$2 billion, and/or have performance track records shorter than five years.
103. Since the closing of the Firm's most recent prior fund, please describe the development/implementation of and/or any significant changes to the Firm's Diversity and Inclusion policy, Code of Conduct, and Family Leave policy.
104. Describe the development/implementation of and/or any significant changes to the Firm's Diversity and Inclusion policy, Code of Conduct, and Family Leave policy that are expected in the next year.
105. Describe the Firm's process for recruiting new employees to the investment team? Operations team? Administrative team?
106. If applicable, describe the Firm's formal mentorship program.
107. What percentage of the Firm's female employees were promoted in the last year? What percentage of the Firm's minority employees were promoted in the last year?
108. What percentage of the Firm's female employees departed in the last year? What percentage of the Firm's minority employees departed in the last year?
109. For investments made by the Firm during the last five years, what is the average percentage of female board members per company? Average percentage of minorities? Data should be as-of the earlier of the most recent quarter-end or the date the investment was exited. Only include investments in which the Firm held a majority interest (either directly or through "club deals").
110. If any claims of sexual or general harassment, misconduct, or discrimination have been made against any of the current and/or former Firm employees (while employed by the Firm) within the last 5 years, please provide details for

each claim, including the charges, investigative process, and outcome, including disciplinary action. *Note: Individual names should not be provided and are not being solicited in the questionnaire.*

X. Attachments and Disclosure

Please check off items included as attachments. If any **required** items are excluded, please indicate an alternate means for our review of requested items.

Required

Included?

ADV	_____
SEC Review Findings Letter	_____
Disaster Recovery and Business Continuity Plans	_____
Code of Ethics	_____
PPM	_____
LPA	_____
Prior Fund's Audited Financials	_____
Prior fund deal by deal attribution	_____
Proof of E&O Insurance Coverage	_____
Information Security/Cybersecurity & Incident Response Policy	_____

Include, if Applicable

Included?

State or Local Registration for M/WBE	_____
GIPS Verification Letter	_____

Chief Compliance Officer Signature

I, chief compliance officer of _____, have reviewed all of the aforementioned statements and documents. To the best of our ability, we believe all statements and documents to be accurate, truthful and timely.

Signature

Print Name